

Protecting Your Intellectual Property

A Guide for the Entrepreneur



What is Intellectual Property?

- **Intellectual property** refers to creations of the mind
- **Intellectual property rights** protect the interests of the creator





Subject Matter Protected by Intellectual Property Rights

- Literary, artistic, and scientific works
- Performances of performing artists, phonograms, and broadcasts
- Inventions in all fields of human endeavor
- Scientific discoveries
- Trademarks, service marks, and commercial names and designations
- Protection against unfair competition
- All other rights resulting from intellectual activity in the industrial, scientific, literary, or artistic fields



Benefits of Intellectual Property Rights Laws



- Protect moral and economic rights of creators
- Promote creativity
- Encourage fair trade
- Contribute to economic and social development





Branches of Intellectual Property Law



- Industrial Property
 - Inventions
 - Industrial designs
 - Trademarks
 - Service Marks
 - Integrated circuit designs
 - Commercial names
 - Unfair competition
- Copyright
 - Books
 - Music
 - Paintings
 - Sculptures
 - Films
 - Technology-based works such as computer programs & databases

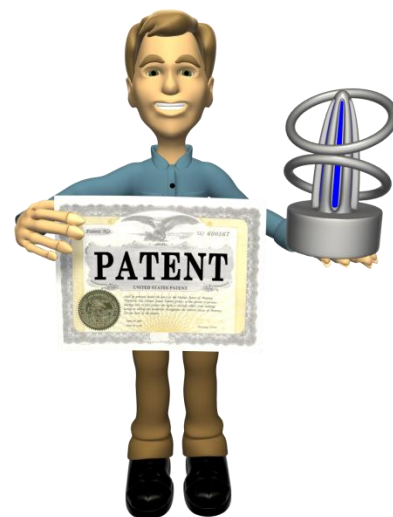


Key Terms for the Entrepreneur

- Trade names
- Trademarks and service marks
- Copyrights
- Patents
- Trade secrets

TM

©



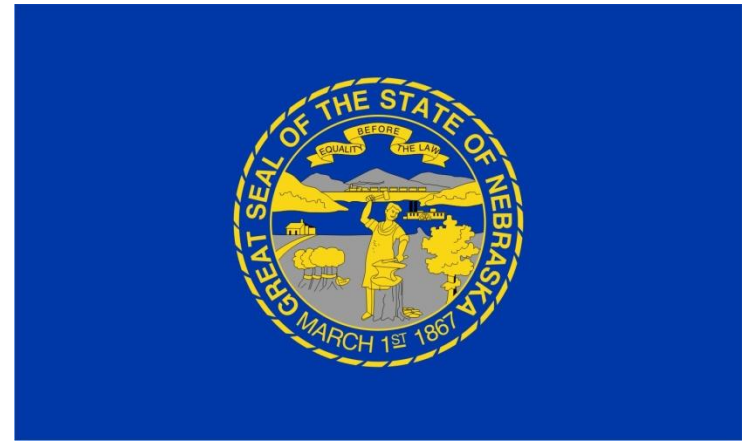
Trade Name

- Name(s) used by the business owner to refer to the business, other than the legal name.
- Intended to prevent confusion



Creating Trade Names

- Created through use in commerce
 - Signing contracts, taking out ads, etc.
- Must be registered with the Secretary of State (Nebraska)
- Last as long as they are used



Protecting Trade Names

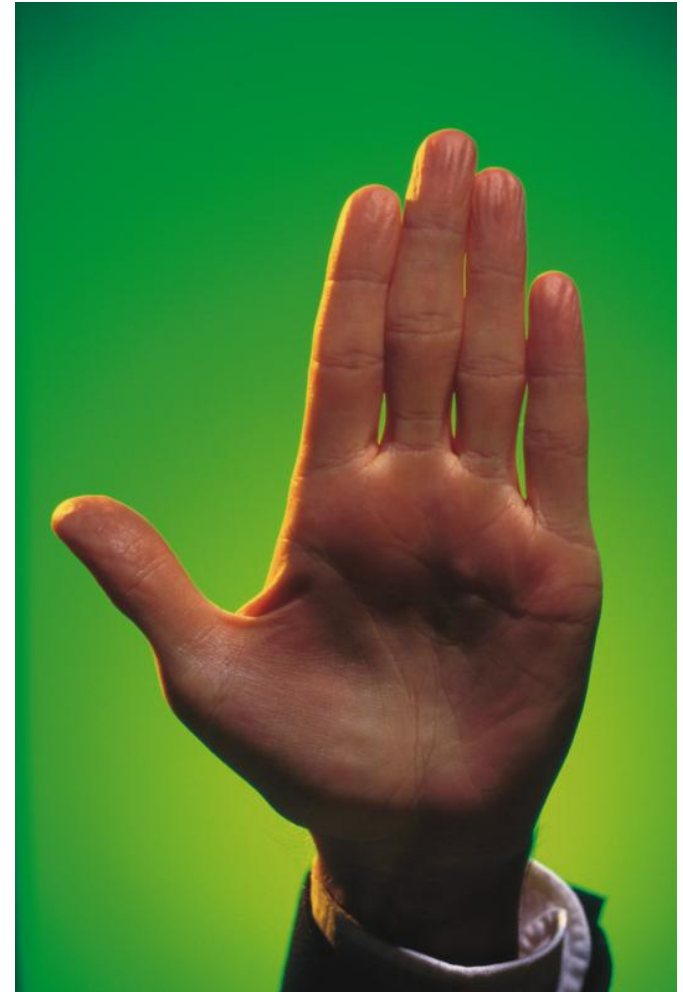
- Owner must police the name
- Can be lost if you fail to combat infringement





Steps to Protect Trade Names

- Notify the infringer and demand they halt
- 1st LEGAL step is order of injunction
- Damages for infringement are based on lost sales and damage to reputation





What are trademarks?

- Trademarks and service marks are legally interchangeable
- Trademark—any device used in commerce to associate products with the creator/producer

TM



Creating Trademarks for Goods

- Created through use in commerce
- Use in commerce means it appears on the product or packaging, on a display at the point of sale, or on a manual for the product

TM

Creating Trademarks for Services

- Use in commerce means the mark is placed on promotional materials





Registering Trademarks

- Can be registered with United States Patent and Trademark Office (USPTO)
- Can be registered with a state's Secretary of State
- Does NOT create rights; those can only be created through use in commerce
- Puts world on notice the owner considers the mark to be proprietary (owned)





Federal Trademark Registration

- USPTO requires a sample of the mark, a sample as it is used in commerce, and a description of the products or services on which it will be used

TM



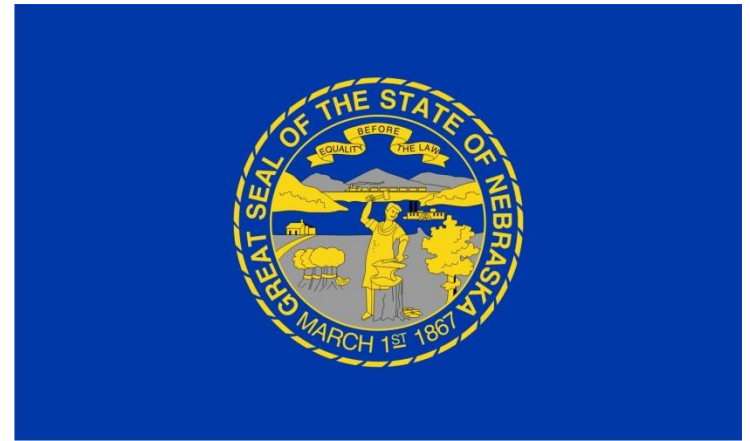
Federal Trademark Registration

- Applicant or USPTO divides the products or services into one or more of 40 existing classifications
- Can be based on actual or intended use

TM

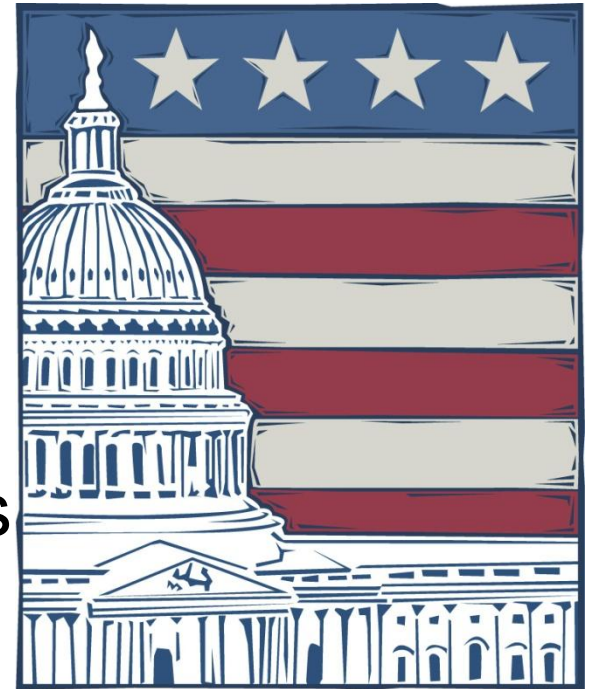
Nebraska Trademark Registration

- Registered with the Secretary of State
- Procedure is identical to that of the USPTO
- ONLY statewide, not national or international
- Must be renewed every 10 years



Federal vs. State Registration

- State registration is cheaper & faster
- Federal registration covers the entire U.S. and gives the owner priority even in locations where business is not currently conducted





How are trademarks infringed?

- Whenever someone uses a confusingly similar mark
- Confusing similarity is based on:
 - Similarity of marks
 - Similarity of products
 - Proximity of the products to the store
 - Cost of the products
 - Bad faith of the infringer
 - Likelihood of “bridging the gap”





How are trademarks protected?

- Owner must police the mark
- Failure to combat infringement can lead to the mark becoming generic
- Must notify infringer, followed by an order of injunction, if it continues to be used



Licensing Trademarks



S HERE

name (print)

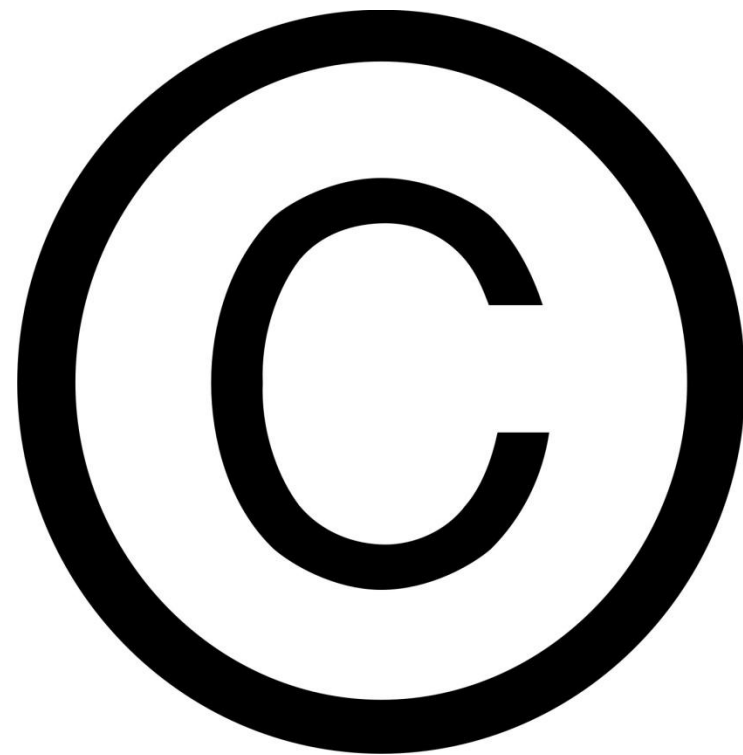
signature

- Backbone of every franchise agreement
- Owner **MUST** retain strict control of how trademark is used to retain any rights



Copyrights

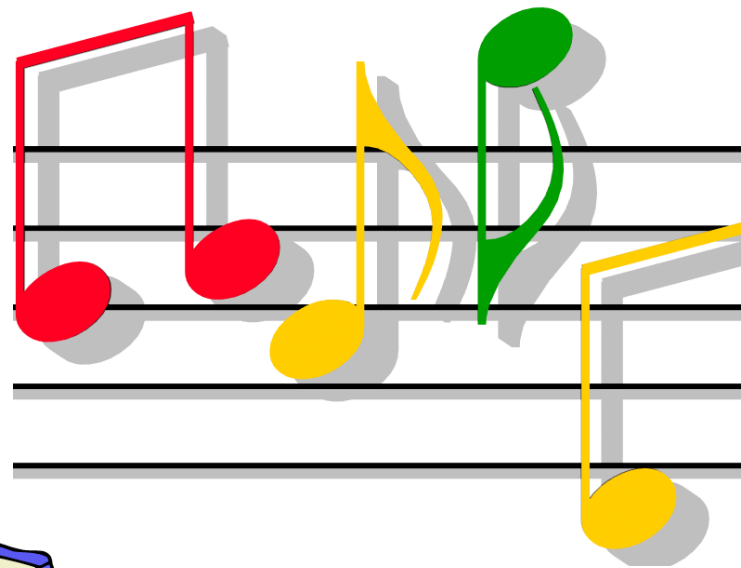
- Protect the rights of the holder to reproduce a work, prepare derivatives of it, perform it publically, display it, or perform by digital audio transmission





Copyrights

- Cover virtually everything artistic
- Most abundant intellectual property (by far)



How are copyrights created?

- Whenever an artistic work is “fixed” in a tangible medium
- Tangible medium is any medium that can be passed around and reproduced





Registering Copyrights

- Registered with USPTO
- Not necessary to gain copyright, just to enforce it:
 - Registration gives the holder access to federal court
 - Registration may give the holder right to statutory damages and attorney's fees



How are copyrights registered?

- Conducted online
- Requires:
 - Names of authors
 - Names of non-authors with ownership interests
 - Date of creation
 - Date of 1st publication
 - Restrictions to the copyright
 - Digital sample



Re-registering copyrights

- Major revisions to a work may require re-registration
- Minor revisions may not require any action





How long do copyrights last?

- Last for the life of the author + 70 years
- Copyrights produced as works for hire last for 120 years from creation, or 95 years from first publication, whichever is shorter
- Works for hire: created by an employee in the ordinary course of employment (employer is considered the author)



How are copyrights infringed?

- Whenever a legally copyrighted work is copied!
- Proven by showing that the infringer copied the work or by showing that two works are very similar and the infringer had access to the copyrighted work





How are copyrights protected?

- Owner must police the mark
- Copyright office does NOT examine new registrations to see if they are similar to exiting ones
- Damages for infringement can be based on lost sales, the infringer's profits, or statutory damages



Licensing Copyrights

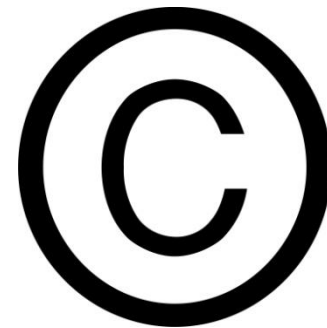
- Licensing allows others to reproduce and distribute, perform publicly, or create derivative works
- Licenses can be cancelled under certain circumstances





Copyrights vs. Trademarks

- Logos usually subject to both copyright protection and trademarks protection
- Trademarks protect logos as they are associated with a product or service
- Copyrights protect logos from reproduction in general



Patents-What Are They?

- Monopolies granted to an inventor for 20 years in exchange for disclosing new technology
- Give the holder the right to exclude others from making, using, or importing an invention in the U.S.
- Granted in the U.S. ONLY by United States Patent and Trademark Office (USPTO)



How are patents created?

- Only granted for new, useful, and non-obvious inventions or improvements to machines, processes, articles of manufacture, or compositions of matter
- Granted by the government of *each* country
- No such thing as a world-wide patent
- Expired patents enter the public domain



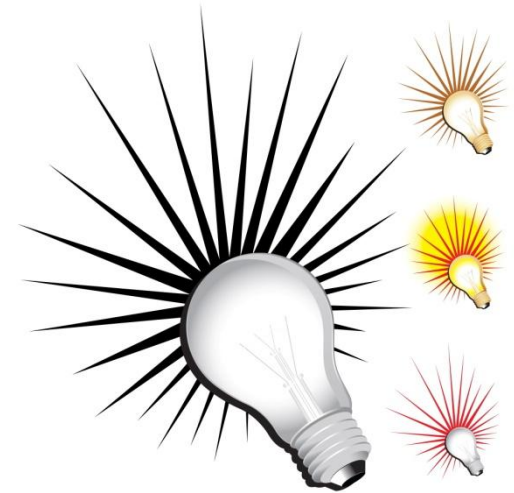
Patent Terminology

- New – an invention different from what came before
- Useful – has some utility, even if inferior to the alternatives



Patent Terminology

- Non-obvious
 - Most patent applications are rejected because they are obvious
 - Obvious means it would be obvious to create or try to a person skilled in the art.



Considerations for whether it is “non-obvious”



- Complexity of the invention
- Problem it solves
- How long problem has persisted
- Maturity of the technology





What can be patented?

- Machines
- Processes
- Articles of manufacture
- Compositions of matter





Patentable Subject Matter

- Machines
 - Most obvious things to patent
 - Software running on a computer is considered a machine
- Articles of manufacture
 - Things that have to be assembled from component parts



Patentable Subject Matter

- Compositions of Matter
 - New chemicals and building materials
- Processes
 - Every process to produce a patentable machine, article of manufacture or composition of matter is probably a patentable process
 - May include methods of doing business if they include technological innovation





How are patents infringed?

- Infringement: Whenever someone produces, uses or imports the patented invention in the U.S. without the patent holder's permission
- Even innocent infringement is an infringement; no such thing as independent discovery



Protecting Patents

- Owner must do the policing
- Since USPTO examines each application, theoretically no other patent should be issued for the same invention





How are patents sold?

- Patents are freely assignable
- USPTO has forms for recording the sale
- Patents are ALWAYS filed in the name of the inventor
- Patents can also be licensed





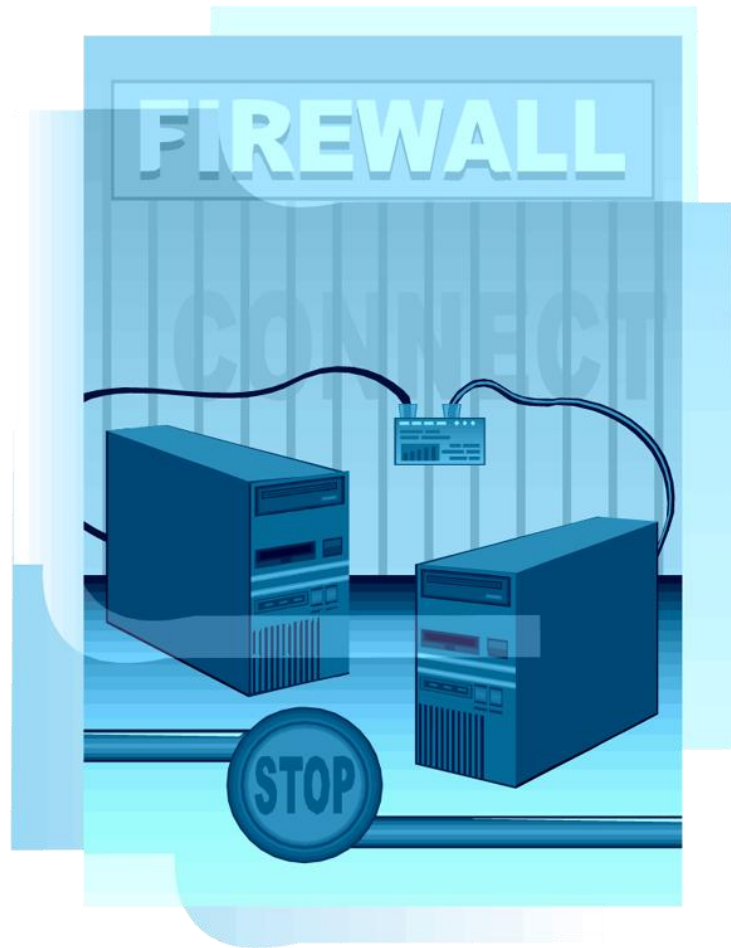
Trade Secrets

- Those secrets vital to the holder's business and not attainable through lawful means
- What constitutes a trade secret depends on the business



How are trade secrets created?

- By taking steps to protect them and keep them confidential
- Holder of the trade secret must take commercially reasonable steps to protect it



Commercially reasonable steps to protect trade secrets

- Declare it to be secret to everyone who will know it AND get signed non-disclosure agreements
- Control distribution of the secret
- If tangible, securely maintain every copy



How are trade secrets infringed?

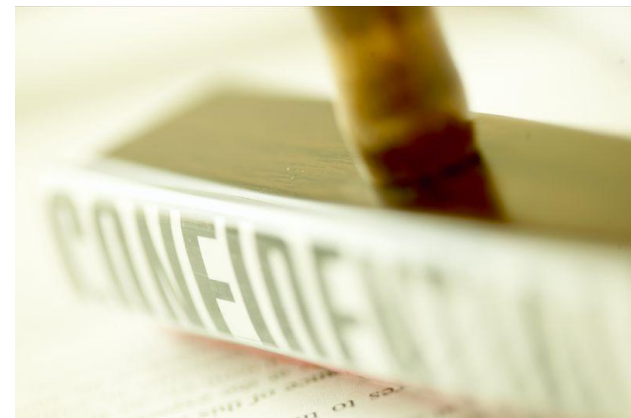
- Infringed by any unlawful activity to discover or disclose the secret
- Last for as long as they are secret
- Public disclosure or independent discovery can destroy a trade secret





Protecting Trade Secrets

- Holder must take reasonable steps to keep the secret
- Classifying something as a trade secret retroactively virtually always fails
- Client lists may be trade secrets





Sources of Information

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- *Understanding Copyright and Related Rights*, World Intellectual Property Organization Resources,
http://www.wipo.int/freepublications/en/intproperty/909/wipo_pub_909.html